

FISCAL NOTE

SB 1805 - HB 1569

April 3, 2007

SUMMARY OF BILL: Requires a workers' compensation specialist to issue an order determining that an employee's injury is compensable prior to issuing an order that benefits be provided to the employee. Places conditions upon the use of an independent medical examiner. Requires the Department of Labor and Workforce Development to advise the Medical Impairment Rating Program whenever an injury report is filed.

ESTIMATED FISCAL IMPACT:

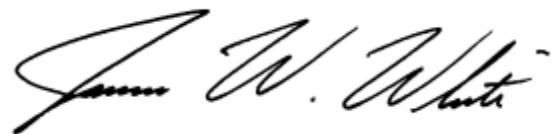
Increase State Expenditures - \$319,000 Recurring
\$10,000 One-Time
\$73,000 Recurring/Second Injury Fund

Assumptions:

- The Department of Labor and Workforce Development will need five new positions to handle the increased workload.
- A recurring increase in state expenditures for the salary, benefits and operational expenses for five positions and a one-time increase in state expenditures for office furnishings and computer equipment.
- Under current law, if a court rules that the state has improperly ordered an insurance company or employer to pay benefits, the state must, through the Second Injury Fund, reimburse any payments that have been made by the insurance company or employer. By limiting the use of an independent medical examiner, it increases the likelihood that the state will improperly order benefits to be paid. This will result in an increase in reimbursement payments made from the Second Injury Fund. Based on past history it is estimated that reimbursement payments made from the Second Injury Fund will increase approximately \$73,000 per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director